

Message Text

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44

ACTION EUR-25

INFO OCT-01 EA-11 ISO-00 NEA-11 PM-07 AGR-20 CEA-02

CIAE-00 COME-00 DODE-00 EB-11 FRB-02 H-03 INR-10

INT-08 L-03 LAB-06 NSAE-00 NSC-10 PA-04 RSC-01 AID-20

CIEP-02 SS-20 STR-08 TAR-02 TRSE-00 USIA-15 PRS-01

SPC-03 FEA-02 OMB-01 SAM-01 DRC-01 IO-14 /225 W

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R 012025Z FEB 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 7655

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

AMEMBASSY OSLO

AMEMBASSY OSLO

AMEMBASSY OTTAWA

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USMISSION GENEVA

UNCLAS LONDON 01546

E.O. 11652:N/A

TAGS: ENRE, EEC, UK

SUBJECT: SIMONET SPEECH ON ENERGY PROBLEMS

1. EC COMMISSION VICE PRESIDENT SIMONET DISCUSSED
THE WASHINGTON ENERGY CONFERENCE IN A SPEECH TO THE
EUROPEAN-ATLANTIC GROUP IN LONDON ON JANUARY 31. HE
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ALSO CRITICIZED BILATERAL OIL DEALS.

2. SIMONET WARNED THAT FAILURE TO ACHIEVE POSITIVE RESULTS IN WASHINGTON COULD RAISE "DANGERS AND FEARS THAT GO FAR BEYOND THE FIELD OF ENERGY AS SUCH." HE URGED THAT THE CONFERENCE PROPOSE AN ENLARGEMENT OF THE DIALOGUE TO INCLUDE OPEC COUNTRIES AND THE DEVELOPING WORLD, AND THAT IT IDENTIFY THE ISSUES TO BE DISCUSSED IN THIS LARGER FRAMEWORK. HE SAID THAT EC PARTICIPATION IN THE CONFERENCE SHOULD BE BASED ON THE PRINCIPLE OF COMMON EUROPEAN INTERESTS, BUT "IT IS CERTAINLY NOT OUR VIEW THAT THE EUROPEAN IDENTITY -- A WORD MUCH USED BY THE FRENCH FOREIGN MINISTER -- SHOULD BE MEASURED BY OUR DISTANCE FROM THE AMERICAN POSITION."

3. IN RESPONSE TO A QUESTION CONCERNING THE POSSIBILITY OF A WORLD ENERGY CONFERENCE SPONSORED BY THE UNITED NATIONS, SIMONET (WITHOUT REFERRING EXPLICITLY TO THE FRENCH PROPOSAL) SAID HE OPPOSED HOLDING A CONFERENCE IN THE UN FRAMEWORK. IT WOULD BE IMPOSSIBLE FOR SUCH A CONFERENCE TO ACHIEVE CONCRETE RESULTS DUE TO THE WIDE DISPARITY OF INTERESTS REPRESENTED, HE SAID.

4. SIMONET SAID THAT BILATERAL OIL DEALS ARE UNDERSTANDABLE, BUT THEY ARE ONLY SHORT-TERM PALLIATIVES. "WE ARE FACED WITH THE RISK OF OVERBIDDING, NOT ONLY IN TERMS OF CONSUMER OR CAPITAL GOODS, BUT ALSO IN TERMS OF WEAPONS OF WAR, AND IN TERMS OF POLITICAL INDEPENDENCE. EUROPE NEEDS OIL, BUT NOT AT THE PRICE OF HER SELF-RESPECT AS A CIVILIZATION." BILATERAL APPROACHES SHOULD BE COORDINATED IN THE FRAMEWORK OF A "GLOBAL" EC POLICY.

5. WITH REFERENCE TO NORTH SEA OIL, SIMONET MADE IT CLEAR THAT THE COMMISSION CONSIDERS THAT A MEMBER STATE OWNS ANY OIL DISCOVERED ON ITS TERRITORY, ALTHOUGH THE ROME TREATY REQUIRES THAT OIL MUST BE TRADED FREELY WITHIN THE EC. HE ALSO PREDICTED THAT GOVERNMENTS WOULD INCREASINGLY REPLACE OIL COMPANIES IN NEGOTIATIONS WITH OIL PRODUCERS.

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6. SIMONET MET BRIEFLY WITH SECSTATE FOR ENERGY LORD CARRINGTON DURING HIS VISIT TO LONDON. ANNENBERG

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Disposition Reason:
Disposition Remarks:
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